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March 18, 2009

AGENDA ITEM 15

TO: MEMBERS OF THE BOARD OF ADMINISTRATION

I. SUBJECT: Federal Legislative Representative Request for Proposal (RFP 2008-4809) – Interview of Finalists

II. PROGRAM: Legislation

III. RECOMMENDATION:

Staff recommends the Board: (1) interview the finalists; (2) rank the finalists; and (3) award the contract under RFP No. 2008-4809 to the finalist having the highest total score, subject to final negotiations and satisfaction of all requirements. In the event negotiations are unsuccessful, award the contract to the finalist having the second highest total score, subject to final negotiations and satisfaction of all requirements. In the event that negotiations are unsuccessful, award the contract to the finalist having the third highest total score, subject to final negotiations and satisfaction of all requirements.

IV. ANALYSIS:

In October 2008 the Board approved an RFP to solicit proposals from qualified firms to provide federal legislative representative services to CalPERS for five years commencing July 1, 2009.

The RFP (No. 2008-4809) was released on October 15, 2008 and advertised in the *Washington Post* and several publications targeted to Congress and federal legislative advocates. CalPERS received four proposals by the December 16, 2008 final filing date.

The Interim Chief Executive Officer appointed a seven-member Evaluation Committee, comprised of representatives from Actuarial and Employers Services, Legal, Public Affairs, Member and Benefit Services, Health Benefits, Investments, and Governmental Affairs. Each member of the Evaluation Committee independently evaluated and scored responses to the Technical Proposal submitted by the four proposers. The Evaluation Committee members' scores were combined to determine an average total score for each proposer, with a maximum of 300 points. One proposer failed to receive a minimum score of 210 points on the Technical Proposal evaluation and was eliminated from further consideration.

The remaining qualifying firms receive a score for the Fee Proposal submitted. Computation of Fee Proposal points must be in accordance with the specifications of the RFP. The highest scoring proposal(s) after the Technical Proposal and Fee Proposal evaluation, as determined by CalPERS, are considered as Finalists.

At its February meeting, the Board approved the recommendation from the Benefits and Program Administration Committee of the Finalists selected to proceed to the next phase of the RFP process. Subsequent to the Board's approval, it was discovered that the annual rate for the Services as Assigned component of the Fee Proposal did not take into account the estimated annual hours of each of the key personnel as required by the RFP.

The following chart summarizes the ranking and scores of the three Finalists after reevaluating the Fee Proposals. The ranking of the Finalists did not change, but the Fee Proposal Score and Total Score of the Finalists in Rank 1 and Rank 2 changed. The Fee Proposal Score and Total Score for the Finalist in Rank 1 went up by eighteen points. The Finalist in Rank 2 had a two point reduction in its Fee Proposal Score and Total Score.

Current Rank	Finalist	Total Score*	Fee Proposal Score**	Technical Proposal Score***
1	Lussier, Gregor, Vienna & Associates	385.28	100	285.28
2	K & L Gates	351.00	98	253.00
3	Buchanan, Ingersoll & Rooney	321.14	72	249.14

* The total point spread between Rank 1 and Rank 3 is 64.14 points.

** The proposer with the highest fee proposal score is Lussier, Gregor, Vienna & Associates. The dollar difference between the lowest and highest fee proposal for the total five-year contract term is \$1,514,928.

*** The proposer with the highest technical proposal score is Lussier, Gregor, Vienna & Associates.

Under separate cover, a summary of staff's evaluation of the three finalists is being provided to assist the Board in its final selection. Each firm will have up to 30 minutes before the Board (10 minutes for a presentation and up to 20 minutes for questions and answers). The Board will rank the finalists by motion after the completion of the interview process, and points will be awarded as specified in the RFP.

V. STRATEGIC PLAN:

This is not a product of the CalPERS Strategic Plan, but an ongoing responsibility of the CalPERS Office of Governmental Affairs.

VI. RESULTS/COSTS:

Upon successful award and execution of a contract for the services specified in the RFP, CalPERS would continue to have federal legislative representative services from a qualified firm in the Washington, D.C. area.

The cost for these services will be determined based on the fee proposal submitted by the successful proposer.

Danny Brown, Acting Chief
Office of Governmental Affairs

ANNE STAUSBOLL
Chief Executive Officer